



[Billing Code: 4310-MR]

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management (BOEM)

Central Gulf of Mexico Planning Area (CPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 231 (CPA Sale 231)

MMAA104000

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Final notice of sale.

SUMMARY: On Wednesday, March 19, 2014, BOEM will open and publicly announce bids received for blocks offered in CPA Sale 231 in accordance with the provisions of the OCS Lands Act (OCSLA, 43 U.S.C. 1331-1356, as amended) and the implementing regulations issued pursuant thereto (30 CFR parts 550 and 556).

The CPA 231 Final Notice of Sale (NOS) package (Final NOS Package) contains information essential to potential bidders, and bidders are charged with knowing the contents of the documents contained in the Final NOS Package. The Final NOS Package is available at the address and website below.

DATES: Public bid reading for CPA Sale 231 will begin at 9:00 a.m., Wednesday, March 19, 2014, at the Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level; parking will be available at Garage 6. All times referred to in this document are local New Orleans times, unless otherwise specified.

Bid Submission Deadline: BOEM must receive all sealed bids between 8:00 a.m. and

4:00 p.m. on normal working days, or from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, March 18, 2014, the day before the lease sale. For more information on bid submission, see Section VII, “Bidding Instructions,” of this document.

ADDRESSES: Interested parties, upon request, may obtain a compact disc (CD-ROM) containing the Final NOS Package by contacting the BOEM Gulf of Mexico Region (GOMR) at:

Gulf of Mexico Region Public Information Office

Bureau of Ocean Energy Management

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

(504) 736-2519 or (800) 200-GULF

or by visiting the BOEM website at <http://www.boem.gov/Sale-231/>.

SUPPLEMENTARY INFORMATION:

Table Of Contents:

This Final NOS includes the following sections:

- I. LEASE SALE AREA
- II. STATUTES AND REGULATIONS
- III. LEASE TERMS AND ECONOMIC CONDITIONS
- IV. LEASE STIPULATIONS
- V. INFORMATION TO LESSEES
- VI. MAPS
- VII. BIDDING INSTRUCTIONS
- VIII. BIDDING RULES AND RESTRICTIONS
- IX. FORMS
- X. THE LEASE SALE

XI. DELAY OF SALE

I. LEASE SALE AREA

Blocks Offered for Leasing

In CPA Sale 231, BOEM is offering for lease all blocks and partial blocks in the document “List of Blocks Available for Leasing” included in the Final NOS Package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPDs):

Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1 through 12

(These 30 maps sell for \$2.00 each.)

LA1	West Cameron Area (Revised July 1, 2011)
LA1A	West Cameron Area, West Addition (Revised February 28, 2007)
LA1B	West Cameron Area, South Addition (Revised February 28, 2007)
LA2	East Cameron Area (Revised November 1, 2000)
LA2A	East Cameron Area, South Addition (Revised November 1, 2000)
LA3	Vermilion Area (Revised November 1, 2000)
LA3A	South Marsh Island Area (Revised November 1, 2000)
LA3B	Vermilion Area, South Addition (Revised November 1, 2000)
LA3C	South Marsh Island Area, South Addition (Revised November 1, 2000)
LA3D	South Marsh Island Area, North Addition (Revised November 1, 2000)
LA4	Eugene Island Area (Revised November 1, 2000)
LA4A	Eugene Island Area, South Addition (Revised November 1, 2000)
LA5	Ship Shoal Area (Revised November 1, 2000)
LA5A	Ship Shoal Area, South Addition (Revised November 1, 2000)
LA6	South Timbalier Area (Revised November 1, 2000)
LA6A	South Timbalier Area, South Addition (Revised November 1, 2000)
LA6B	South Pelto Area (Revised November 1, 2000)

LA6C	Bay Marchand Area (Revised November 1, 2000)
LA7	Grand Isle Area (Revised November 1, 2000)
LA7A	Grand Isle Area, South Addition (Revised February 17, 2004)
LA8	West Delta Area (Revised November 1, 2000)
LA8A	West Delta Area, South Addition (Revised November 1, 2000)
LA9	South Pass Area (Revised November 1, 2000)
LA9A	South Pass Area, South and East Additions (Revised November 1, 2000)
LA10	Main Pass Area (Revised November 1, 2000)
LA10A	Main Pass Area, South and East Additions (Revised November 1, 2000)
LA10B	Breton Sound Area (Revised November 1, 2000)
LA11	Chandeleur Area (Revised November 1, 2000)
LA11A	Chandeleur Area, East Addition (Revised November 1, 2000)
LA12	Sabine Pass Area (Revised July 1, 2011)

Outer Continental Shelf Official Protraction Diagrams

(These 19 diagrams sell for \$2.00 each.)

NG15-02	Garden Banks (Revised February 28, 2007)
NG15-03	Green Canyon (Revised November 1, 2000)
NG15-05	Keathley Canyon (Revised February 28, 2007)
NG15-06	Walker Ridge (Revised November 1, 2000)
NG15-08	Sigsbee Escarpment (Revised February 28, 2007)
NG15-09	Amery Terrace (Revised October 25, 2000)
NG16-01	Atwater Valley (Revised November 1, 2000)
NG16-02	Lloyd Ridge (Revised August 1, 2008)
NG16-04	Lund (Revised November 1, 2000)

NG16-05 Henderson (Revised August 1, 2008)
NG16-07 Lund South (Revised November 1, 2000)
NG16-08 Florida Plain (Revised February 28, 2007)
NH15-12 Ewing Bank (Revised November 1, 2000)
NH16-04 Mobile (Revised July 1, 2011)
NH16-05 Pensacola (Revised February 28, 2007)
NH16-07 Viosca Knoll (Revised November 1, 2000)
NH16-08 Destin Dome (Revised February 28, 2007)
NH16-10 Mississippi Canyon (Revised November 1, 2000)
NH16-11 De Soto Canyon (Revised August 1, 2008)

Please Note:

A CD-ROM (in ArcInfo and Acrobat (.pdf) format) containing all of the Gulf of Mexico (GOM) leasing maps and OPDs, except for those not yet converted to digital format, is available from the BOEM Gulf of Mexico Region Public Information Office for a price of \$15.00. These GOM leasing maps and OPDs are available for free online in .pdf and .gra formats at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Mapping-and-Data/Official-Protraction-Diagrams.aspx>.

For the current status of all CPA leasing maps and OPDs, please refer to 66 FR 28002 (May 21, 2001), 69 FR 23211 (April 28, 2004), 72 FR 27590 (May 16, 2007), 72 FR 35720 (June 29, 2007), 73 FR 63505 (October 24, 2008), and 76 FR 54787 (September 2, 2011).

All blocks being offered in the lease sale are shown on these leasing maps and OPDs. The available Federal acreage of all whole and partial blocks in this lease sale is shown in the document “List of Blocks Available for Leasing” included in the Final NOS Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the

Federal/state jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Information on the unleased portions of such blocks is found in the document “Central Planning Area, Lease Sale 231, March 19, 2014 - Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred” included in the Final NOS Package.

For additional information, please call Mr. Lenny Coats, Chief of the Mapping and Automation Section, at (504) 736-1457.

Blocks Not Offered for Leasing

The following whole and partial blocks are not offered for lease in this sale:

Whole and partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub.

L. No. 109-432:

Pensacola (OPD NH 16-05)

Whole Blocks: 751 through 754, 793 through 798, 837 through 842, 881 through 886, 925 through 930, and 969 through 975

Destin Dome (OPD NH 16-08)

Whole Blocks: 1 through 7, 45 through 51, 89 through 96, 133 through 140, 177 through 184, 221 through 228, 265 through 273, 309 through 317, 353 through 361, 397 through 405, 441 through 450, 485 through 494, 529 through 538, 573 through 582, 617 through 627, 661 through 671, 705 through 715, 749 through 759, 793 through 804, 837 through 848, 881 through 892, 925 through 936, and 969 through 981

DeSoto Canyon (OPD NH 16-11)

Whole Blocks: 1 through 15, 45 through 59, and 92 through 102

Partial Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through

147

Henderson (OPD NG 16-05)

Partial Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

Blocks that are adjacent to or beyond the United States Exclusive Economic Zone in the area known as the northern portion of the Eastern Gap:

Lund South (OPD NG 16-07)

Whole Blocks: 128, 129, 169 through 173, 208 through 217, 248 through 261, 293 through 305, and 349

Henderson (OPD NG 16-05)

Whole Blocks: 466, 508 through 510, 551 through 554, 594 through 599, 637 through 643, 679 through 687, 722 through 731, 764 through 775, 807 through 819, 849 through 862, 891 through 905, 933 through 949, and 975 through 992

Partial Blocks: 467, 511, 555, 556, 600, 644, 688, 732, 776, 777, 820, 821, 863, 864, 906, 907, 950, 993, and 994

Florida Plain (OPD NG 16-08)

Whole Blocks: 5 through 24, 46 through 67, 89 through 110, 133 through 154, 177 through 197, 221 through 240, 265 through 283, 309 through 327, and 363 through 370

Whole and partial blocks that lie within the 1.4-nautical mile buffer zone north of the Continental Shelf Boundary between the United States and Mexico:

Amery Terrace (OPD NG 15-09)

Whole Blocks: 280, 281, 318 through 320, and 355 through 359

Partial Blocks: 235 through 238, 273 through 279, and 309 through 317

Sigsbee Escarpment (OPD NG 15-08)

Whole Blocks: 239, 284, and 331 through 341

Partial Blocks: 151, 195, 196, 240, 241, 285 through 298, and 342 through 349

The following block is deferred until measures to ensure the safety of planned decommissioning operations are completed:

Green Canyon (OPD NG15-03) Block 20

Please Note: Blocks that lie within the former Western Gap and within 1.4 nautical miles north of the Continental Shelf Boundary (1.4-nautical mile buffer) between the United States and Mexico.

After extensive negotiations, the United States and Mexico exchanged instruments of ratification in January 2001, and a Continental Shelf Boundary treaty entered into force in the Western Gap area of the GOM. The treaty states that, at the earliest, exploration or development within 1.4 nautical miles of the Continental Shelf Boundary would occur after January 2011. On June 23, 2010, the United States and Mexico mutually agreed to extend this period for an additional three years. The treaty provision was to remain in effect until January 17, 2014, but, by exchange of diplomatic notes on January 17, 2014, the United States and Mexico have extended the prohibition on exploration and development in the 1.4-nautical mile buffer until July 17, 2014, or until the day the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico (Agreement) enters into force, whichever is sooner. Although the Agreement (described below), negotiated between and signed by the United States and Mexico on February 20, 2012, has received Congressional approval and the President's signature, it has not entered into force. Once it enters into force, the Agreement will supersede and automatically terminate the prohibition on exploration or development in the 1.4-nautical mile buffer imposed by the continuing treaty provision.

As the Agreement has not entered into force, and the United States and Mexico have extended the Treaty provision prohibiting exploration and development in this area, BOEM has decided not to offer for lease whole and partial blocks in the 1.4-nautical mile buffer for CPA Sale 231. BOEM currently anticipates that blocks in the 1.4-nautical mile buffer will be offered in the next CPA lease sale in 2015.

Bids on Blocks near the U.S. – Mexico Maritime and Continental Shelf Boundary

The following definitions apply to this section:

“Agreement” refers to the transboundary agreement between the United Mexican States and the United States of America that addresses identification and unitization of transboundary hydrocarbon reservoirs, allocation of production, inspections, safety, and environmental protection. A copy of the Agreement can be found at <http://www.boem.gov/BOEM-Newsroom/Library/Boundaries-Mexico.aspx>.

“Boundary Area” means an area comprised of any and all blocks in the CPA that are wholly or partially located within 3 statute miles of the Maritime and Continental Shelf Boundary with Mexico, as that Maritime Boundary is delimited in the November 23, 1970, Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary; the May 4, 1978, Treaty on Maritime Boundaries between the United Mexican States and the United States of America; and the June 9, 2000, Treaty on the Continental Shelf between the Government of the United Mexican States and the Government of the United States of America.

The Agreement was signed on February 20, 2012. The United States Congress approved the Agreement as part of the Bipartisan Budget Act of 2013, which the President signed on December 26, 2013. The Agreement will enter into force 60 days after the exchange of diplomatic notes between the United States and Mexico. Therefore, BOEM has

decided that bids submitted on available blocks in the Boundary Area will be opened on the date scheduled for the sale. Bidders should refer to Stipulation No. 10 in the Stipulations section of the Final NOS Package, which will be applicable to leases issued for blocks in the Boundary Area.

The following whole and partial blocks comprise the entire Boundary Area (not all of which may be available under CPA Sale 231):

Sigsbee Escarpment – 151, 152, 195, 196, 197, 239, 240, 241, 242, 243, 284, 285, 286, 287, 288*, 289*, 290*, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349

Amery Terrace – 118, 119, 120*, 121*, 122*, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164*, 165*, 166*, 167, 168, 169, 170, 171, 172, 173, 174, 175, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 265, 266, 267, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 355, 356, 357, 358, 359

Lund South – 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 293, 294, 295, 296

* = **Leased**

II. STATUTES AND REGULATIONS

Each lease is issued pursuant to OCSLA, and is subject to OCSLA, implementing regulations promulgated pursuant thereto, and other applicable statutes and regulations in existence upon the effective date of the lease, as well as those applicable statutes enacted and regulations

promulgated thereafter, except to the extent that the after-enacted statutes and regulations explicitly conflict with an express provision of the lease. Each lease is also subject to amendments to statutes and regulations, including but not limited to OCSLA, that do not explicitly conflict with an express provision of the lease. The lessee expressly bears the risk that such new or amended statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligations under the lease.

III. LEASE TERMS AND ECONOMIC CONDITIONS

Lease Terms

OCS Lease Form

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale. This lease form may be viewed on the BOEM website at <http://www.boem.gov/About-BOEM/Procurement-Business-Opportunities/BOEM-OCS-Operation-Forms/BOEM-2005.aspx>.

The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to each individual lease. The terms, conditions, and stipulations applicable to this sale are set forth below.

Initial Periods

Initial periods are summarized in the following table:

Water Depth (Meters)	Initial Periods
0 to < 400	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded targeting hydrocarbons below 25,000 feet True Vertical Depth

	Subsea (TVD SS) during the first 5 years of the lease
400 to < 800	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded during the first 5 years of the lease
800 to < 1,600	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period) if a well is spudded during the first 7 years of the lease
1,600+	10 years

- (1) The standard initial period for a lease in water depths less than 400 meters issued as a result of this sale is 5 years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first 5 years of the lease, then the lessee may earn an additional 3 years, resulting in an 8-year extended initial period. The lessee will earn the 8-year extended initial period when the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) GOM Regional Supervisor for Production and Development, within 30 days after completion of the drilling operation, a letter providing the well number, spud date, information demonstrating a target below 25,000 feet TVD SS and whether that target was reached, and if applicable, any safety, mechanical, or other problems encountered that

prevented the well from reaching a depth below 25,000 feet TVD SS. The BSEE Gulf of Mexico Regional Supervisor for Production and Development must concur in writing that the conditions have been met for the lessee to earn the 8-year extended initial period. The BSEE Gulf of Mexico Regional Supervisor for Production and Development will provide a written response within 30 days of receipt of the lessee's letter.

A lessee that has earned the 8-year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the first 5 years of the lease, confirmed by BSEE, will not be eligible for a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

- (2) The standard initial period for a lease in water depths ranging from 400 to less than 800 meters issued as a result of this sale is 5 years. The lessee will earn an additional 3 years, resulting in an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- (3) The standard initial period for a lease in water depths ranging from 800 to less than 1,600 meters issued as a result of this sale will be 7 years. The lessee will earn an additional 3 years, resulting in a 10-year extended initial period, if the lessee spuds a

well within the first 7 years of the lease.

In order to earn the 10-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee earned the 10-year extended initial period. The BSEE District Manager will review the request and make a determination. A written response will be sent to the lessee documenting the BSEE District Manager's decision within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

- (4) The standard initial period for a lease in water depths 1,600 meters or greater issued as a result of this sale will be 10 years.

Economic Conditions

Minimum Bonus Bid Amounts

- \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper

BOEM will not accept a bonus bid unless it provides for a cash bonus in the amount equal to, or exceeding, the specified minimum bid of \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters, and \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper.

Rental Rates

Annual rental rates are summarized in the following table:

Rental Rates per Acre or Fraction Thereof		
Water Depth (Meters)	Years 1-5	Years 6, 7, & 8+
0 to < 200	\$7.00	\$14.00, \$21.00, & \$28.00
200 to < 400	\$11.00	\$22.00, \$33.00, & \$44.00
400+	\$11.00	\$16.00

Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Water Depths Less Than 400 Meters

Any lessee with a lease in less than 400 meters water depth who earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in less than 400 meters water depth will become fixed and no longer escalate if another well is spudded targeting hydrocarbons below 25,000 feet TVD SS after the fifth year of the lease, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

Royalty Rate

- 18.75 percent

Minimum Royalty Rates

- \$7.00 per acre or fraction thereof per year for blocks in water depths less than 200 meters
- \$11.00 per acre or fraction thereof per year for blocks in water depths 200 meters or deeper

Royalty Suspension Provisions

Leases with royalty suspension volumes (RSVs) are authorized under existing BOEM regulations at 30 CFR part 560. Royalty relief or reduction is implemented by BSEE through regulations at 30 CFR part 203.

Ultra-deep Gas Royalty Suspensions

A lease issued as a result of this sale may be eligible for RSV incentives for ultra-deep wells pursuant to 30 CFR part 203, implementing requirements of the Energy Policy Act of 2005.

Certain wells on leases in less than 400 meters water depth completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet of natural gas. This RSV incentive is subject to applicable price thresholds set forth in that regulation.

IV. LEASE STIPULATIONS

One or more of the following stipulations may be applied to leases issued as a result of this sale.

The detailed text of these stipulations is contained in the “Lease Stipulations” section of the Final NOS Package.

- (1) Topographic Features
- (2) Live Bottoms
- (3) Military Areas
- (4) Evacuation
- (5) Coordination
- (6) Blocks South of Baldwin County, Alabama
- (7) Law of the Sea Convention Royalty Payment
- (8) Protected Species
- (9) Below Seabed Operations
- (10) Agreement between the United States of America and the United Mexican States

Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

V. INFORMATION TO LESSEES

The Information to Lessees (ITL) clauses provide detailed information on certain issues pertaining to this oil and gas lease sale. The detailed text of these ITL clauses is contained in the “Information to Lessees” section of the Final NOS Package:

- (1) Navigation Safety
- (2) Ordnance Disposal Areas
- (3) Communication Towers
- (4) Existing and Proposed Artificial Reefs/Rigs to Reefs
- (5) Lightering Zones
- (6) Indicated Hydrocarbons List
- (7) Military Areas
- (8) Safety Zones for Certain Production Facilities
- (9) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain Coast Guard Regulations
- (10) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities
- (11) Ocean Dredged Material Disposal Sites
- (12) Potential Sand Dredging Activities
- (13) Below Seabed Operations
- (14) Commercial Waste Disposal Areas
- (15) Air Quality Permits
- (16) Notice of Arrival on the Outer Continental Shelf
- (17) Gulf Islands National Seashore

(18) Bidder/Lessee Notice Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment.

VI. MAPS

The maps pertaining to this lease sale may be found on the BOEM website at <http://www.boem.gov/Sale-231/>. The following maps also are included in the Final NOS Package:

Lease Terms and Economic Conditions Map

The lease terms and economic conditions and the blocks to which these terms and conditions apply are shown on the map “Final, Central Planning Area, Lease Sale 231, March 19, 2014, Lease Terms and Economic Conditions” included in the Final NOS Package.

Stipulations and Deferred Blocks Map

The blocks to which one or more lease stipulations may apply are shown on the map “Final, Central Planning Area, Lease Sale 231, March 19, 2014, Stipulations and Deferred Blocks Map” included in the Final NOS Package.

VII. BIDDING INSTRUCTIONS

Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if applicable), and what information must be included with the bid are as follows:

Bid Form

For each block bid upon, a separate sealed bid shall be submitted in a sealed envelope (as described below) and must include the following:

- total amount of the bid in whole dollars only;
- sale number;
- sale date;
- each bidder’s exact name;

- each bidder's proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent);
- typed name, title, and signature of each bidder's authorized officer;
- each bidder's qualification number;
- map name and number or Official Protraction Diagram (OPD) name and number;
- block number; and
- statement acknowledging that the bidder(s) understand that this bid legally binds the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid amount on all apparent high bids.

The information required on the bid(s) will be specified in the document "Bid Form" contained in the Final NOS Package. A blank bid form is provided therein for convenience and may be copied and completed with the necessary information described above.

Bid Envelope

Each bid must be submitted in a separate sealed envelope labeled as follows:

- "Sealed Bid for Oil and Gas Lease Sale 231, not to be opened until 9 a.m. Wednesday, March 19, 2014";
- map name and number or OPD name and number;
- block number for block bid upon; and
- the exact name and qualification number of the submitting bidder only.

The Final NOS Package includes samples of the bid envelopes for reference.

Mailed Bids

If bids are mailed, please address the envelope containing the sealed bid envelope(s) as follows:

Attention: Leasing and Financial Responsibility Section

BOEM Gulf of Mexico Region

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

Contains Sealed Bids for CPA Oil and Gas Lease Sale 231

Please Deliver to Ms. Cindy Thibodeaux or Ms. Kasey Couture,

2nd Floor, Immediately

Please Note:

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Regional Director (RD) will return those bids unopened to bidders. Please see “Section XI. Delay of Sale” regarding BOEM’s discretion to extend the Bid Submission Deadline in the case of an unexpected event (e.g., flooding or travel restrictions) and how bidders can obtain more information on such extensions.

Advance Bonus Bid Deposit Guarantee

Bidders that are not currently an OCS oil and gas lease record title holder or designated operator or those that ever have defaulted on a one-fifth bonus bid deposit, by Electronic Funds Transfer (EFT) or otherwise, must guarantee (secure) the payment of the one-fifth bonus bid deposit prior to bid submission using one of the following four methods:

- provide a third-party guarantee;
- amend an areawide development bond via bond rider;
- provide a letter of credit; or

- provide a lump sum payment in advance via EFT.

For more information on EFT procedures, see Section X of this document entitled “The Lease Sale.”

Affirmative Action

BOEM requests that, prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) with the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order No. 11246, issued September 24, 1965, as amended by Executive Order No. 11375, issued October 13, 1967. Please note that both forms are required to be on file for the bidder(s) in the GOM Region Adjudication Section prior to the execution of any lease contract.

Geophysical Data and Information Statement Package (GDIS)

The GDIS is composed of three parts:

- 1) the “Statement” page includes the company representatives’ information and lists of blocks bid on that used proprietary data and those bid on that did not use proprietary data,
- 2) the “Table” listing the required data about each proprietary survey used (see below), and
- 3) the “Maps,” which are the live trace maps for each survey identified in the GDIS statement and table.

Every bidder submitting a bid on a block in CPA Sale 231, or participating as a joint bidder in such a bid, must submit at the time of bid submission all three parts of the GDIS. A bidder must submit the GDIS even if its joint bidder or bidders on a specific block also have submitted a GDIS. Any speculative data that has been reprocessed externally or “in-house” is considered proprietary due to the proprietary processing and is no longer considered to be speculative.

The GDIS must be submitted in a separate and sealed envelope. It also must identify all

proprietary data; reprocessed speculative data, and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset (AVO), Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block. The bidder and joint bidder must also include a live trace map (e.g., .pdf and ArcGIS shape file) for each survey that they identify in the GDIS illustrating the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information).

The GDIS statement must include the name, phone number, and full address of a contact person and an alternate who are both knowledgeable about the information and data listed and who are available for 30 days post sale. The GDIS statement also must include entries for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder in the bid. The GDIS statement must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

The GDIS table should have columns that clearly state the sale number; the bidder company’s name; the block area and block number bid on; the owner of the original data set (i.e., who initially acquired the data); the industry’s original survey name (e.g., E Octopus); the BOEM permit number for the survey; whether the data set is a fast track version; whether the data is speculative or proprietary; the data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth); migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data; and areal extent of bidder survey (i.e., number of line miles for 2-D or number of blocks for 3-D). Provide the computer storage size, to the nearest gigabyte, of each seismic data and velocity volume used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set, if applicable.

The next column should state who reprocessed the data (e.g., external company name or “in-house”) and when the date of final reprocessing was completed (month and year). If the data was sent to BOEM for bidding in a previous lease sale, list the date the data was processed (month and year) and indicate if AVO data was used in the evaluation. BOEM reserves the right to query about alternate data sets, to quality check, and to compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process. An example of the preferred format of the table may be found in the Final NOS Package and a blank digital version of the preferred table may be accessed on the CPA Sale 231 page at <http://www.boem.gov/Sale-231/>.

The GDIS maps are live trace maps (in .pdf and ArcGIS shape files) that should be submitted for each survey that is identified in the GDIS table. They should illustrate the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information).

Pursuant to 30 CFR 551.12 and 30 CFR 556.32, as a condition of the sale, the BOEM Gulf of Mexico RD requests that all bidders and joint bidders submit the proprietary data identified on their GDIS within 30 days after the lease sale (unless they are notified after the lease sale that BOEM has withdrawn the request). This request only pertains to proprietary data that is not commercially available. Commercially available data is not required to be submitted to BOEM, and reimbursement will not be provided if such data is submitted by a bidder. The BOEM Gulf of Mexico RD will notify bidders and joint bidders of any withdrawal of the request, for all or some of the proprietary data identified on the GDIS, within 15 days of the lease sale. Pursuant to 30 CFR part 551 and as a condition of this sale, all bidders required to submit data must ensure that the data is received by BOEM no later than the 30th day following the lease sale, or the next

business day if the submission deadline falls on a weekend or Federal holiday. The data must be submitted to BOEM at the following address:

Bureau of Ocean Energy Management

Resource Studies, MS 881A

1201 Elmwood Park Blvd.

New Orleans, LA 70123-2304

BOEM recommends that bidders mark the submission's external envelope as "Deliver Immediately to DASPU." BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation "Proprietary Geophysical Data Submitted Pursuant to Lease Sale 231 and used during <Bidder Name's> evaluation of Block <Block Number>."

In the event a person supplies any type of data to BOEM, that person must meet the following requirements to qualify for reimbursement:

- (1) Persons must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). CCR usernames will not work in SAM. A new SAM User Account is needed to register or update an entity's records. The website for registering is <https://www.sam.gov>.
- (2) Persons must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The person must enroll in the IPP at <https://www.ipp.gov/>. Access then will be granted to use IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
- (3) Persons must have a current On-line Representations and Certifications Application at <https://www.sam.gov>.

Please Note:

The GDIS Information Table must be submitted digitally, preferably as an Excel spreadsheet, on a CD or DVD along with the seismic data map(s). If you have any questions, please contact Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455. Bidders should refer to Section X of this document, “The Lease Sale: Acceptance, Rejection, or Return of Bids,” regarding a bidder’s failure to comply with the requirements of the Final NOS, including any failure to submit information as required in the Final NOS or Final NOS Package.

Telephone Numbers/Addresses of Bidders

BOEM requests that bidders provide this information prior to or at the time of bid submission. The suggested format is contained in the Final NOS Package. This form must not be enclosed inside the sealed bid envelope.

Additional Documentation

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46.

VIII. BIDDING RULES AND RESTRICTIONS**Restricted Joint Bidders**

BOEM published in the Federal Register, on October 28, 2013, the most recent List of Restricted Joint Bidders at 78 FR 64243. Potential bidders are advised to refer to the Federal Register, prior to bidding, for the most current List of Restricted Joint Bidders in place at the time of the lease sale. Please refer to joint bidding provisions at 30 CFR 556.41 for additional restrictions.

Authorized Signatures

All signatories executing documents on behalf of bidder(s) must execute the same in conformance with the BOEM qualification records.

Unlawful Combination or Intimidation

BOEM warns bidders against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

Bid Withdrawal

Bids may be withdrawn only by written request delivered to BOEM prior to the Bid Submission Deadline. The withdrawal request must be on company letterhead and must contain the bidder's name, its company number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The request must be executed in conformance with the BOEM qualification records. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC); they also must have an incumbency certificate and/or specific power of attorney setting forth express authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA. The name and title of the signatory must be typed under the signature block on the withdrawal letter. Upon the BOEM Gulf of Mexico RD's, or his designee's, approval of such request, he/she will indicate approval by signing and dating the withdrawal request.

Bid Rounding

The bonus bid amount must be stated in whole dollars. If the acreage of a block contains a decimal figure, then prior to calculating the minimum bonus bid, BOEM rounded up to the next whole acre. The appropriate minimum rate per acre was then applied to the whole (rounded up) acreage. If this calculation resulted in a fractional dollar amount, the minimum bonus bid was rounded up to the next whole dollar amount. The bonus bid amount must be greater than or equal to the minimum bonus bid in whole dollars. Minimum bonus bid calculations, including all rounding, for all blocks will be shown in the document "List of Blocks Available for Leasing" included in the Final NOS Package.

IX. FORMS

The Final NOS Package includes instructions, samples, and/or the preferred format for the following items. BOEM strongly encourages bidders to use these formats; should bidders use another format, they are responsible for including all the information specified for each item in the Final NOS Package.

- (1) Bid Form
- (2) Sample Completed Bid
- (3) Sample Bid Envelope
- (4) Sample Bid Mailing Envelope
- (5) Telephone Numbers/Addresses of Bidders Form
- (6) GDIS Form
- (7) GDIS Envelope Form

X. THE LEASE SALE

Bid Opening and Reading

Sealed bids received in response to the Final NOS will be opened at the place, date, and hour specified in the “DATES” section of this document above. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

Bonus Bid Deposit for Apparent High Bids

Each bidder submitting an apparent high bid must submit a bonus bid deposit to the U.S.

Department of the Interior’s Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder’s one-fifth bonus liability may be obtained at the EFT Area outside the Bid Reading Room on the day of the bid opening, or it may be obtained on the BOEM website at <http://www.boem.gov/Sale-231/> under the heading “Notification of EFT 1/5 Bonus Liability.” All payments must be deposited

electronically into an interest-bearing account in the U.S. Treasury by 11:00 a.m. Eastern Time the day following the bid reading (no exceptions). Account information is provided in the “Instructions for Making Electronic Funds Transfer Bonus Payments” found on the BOEM website <http://www.boem.gov/Final-Notice-of-Sale-231-Package/>.

BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for CPA Sale 231, following the detailed instructions contained on the ONRR Payment Information webpage at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

Withdrawal of Blocks

The United States reserves the right to withdraw any block or partial block from this lease sale prior to issuance of a written acceptance of a bid for the block.

Acceptance, Rejection, or Return of Bids

The United States reserves the right to reject any and all bids. No bid will be accepted, and no lease for any block will be awarded, to any bidder, unless the bidder has complied with all requirements of the Final NOS, including those set forth in the documents contained in the Final NOS Package and applicable regulations, the bid is the highest valid bid, and the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not conform to the requirements of the Final NOS and Final NOS Package, OCSLA, or other applicable statute or regulation may be rejected and returned to the bidder. The U.S. Department of Justice and the Federal Trade Commission will review the results of the lease sale for anti-trust issues prior to the acceptance of bids and issuance of leases. To ensure that the Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM’s bid adequacy procedures. A copy of current procedures, “Modifications to the Bid Adequacy Procedures,” published at 64 FR 37560 on July 12, 1999,

can be obtained from the BOEM Gulf of Mexico Region Public Information Office, or via the BOEM Gulf of Mexico Region website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Bid-Adequacy-Procedures.aspx>.

Lease Award

BOEM requires each bidder awarded a lease to: (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended); (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155 and 556.47(f); and (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended. ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

XI. DELAY OF SALE

The BOEM Gulf of Mexico RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of an event that the BOEM Gulf of Mexico RD deems may interfere with the carrying out of a fair and proper lease sale process. Such events could include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fires, strikes, civil disorder, or other events of a similar nature. In case of such events, bidders should call (504) 736-0557, or access the BOEM website at <http://www.boem.gov> for information regarding any changes.

Dated: February 6, 2014.

Tommy P. Beaudreau,
Director, Bureau of Ocean Energy Management.

